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USTR Promotes U.S. Farm Trade Agenda

WASHINGTON - United States Trade Representative Robert B. Zoellick, along with U.S. Chief Agriculture Negotiator, Allen Johnson, outlined the central role that agriculture must play in new global trade negotiations during a trip to Asia last week.

“President Bush has made clear that trade is a top priority for the administration and opening markets for U.S. farmers and ranchers is a top priority in our trade agenda,” said Zoellick. “We have been clear in WTO meetings and with other countries that the United States is committed to gaining access for our farm products through the substantial reduction or elimination of tariffs and non-tariff barriers, export subsidies, and trade-distorting domestic support.”

“These objectives are broadly supported by American agriculture and key Congressional leaders, and we must work together to make sure they are achieved,” he said. Zoellick stressed that U.S. levels of protections are already much lower than its trading partners.

Ambassador Zoellick praised the work of Agriculture Negotiator Allen Johnson, who accompanied him to a meeting in Singapore last week of 22 trade ministers in preparation for the WTO Ministerial in Doha, Qatar next month.

“Ambassador Johnson is working diligently to promote the interests of American farmers at negotiating tables around the globe,” Zoellick said. “His working knowledge of the agriculture business, combined with his commitment to our goals, make him a formidable negotiator on behalf of U.S. interests.”

Zoellick pointed to the importance of Trade Promotion Authority (TPA) to agriculture, explaining that “TPA gives us the tools to pursue opportunities for U.S. agriculture. With TPA, we will negotiate agreements that improve the economic environment for U.S. agriculture. Without TPA, we won’t have this opportunity. Ultimately, Congress has the final say in determining whether a trade agreement is

good for American farmers.”

Ambassador Johnson, who also met with his Japanese counterparts in Tokyo to discuss preparation for the WTO ministerial and bilateral issues, reiterated that U.S. levels of protections are already much lower than its trading partners: “While the average maximum agricultural tariff for WTO members is over 60 percent, the average U.S. agricultural tariff is only 12 percent. Export subsidies in the EU are over 70 times greater than in the United States. In addition, the EU provides more than six times as much trade-distorting domestic support to its farmers than U.S. farmers receive. We have been crystal clear in Geneva, we are going to defend U.S. Agriculture’s interests by insisting that countries commit to significant improvements in market access and cuts in goods-distorting subsidies.”

He also cited an important difference in the kind of farm support each country provides, by pointing out that more than 80 percent of U.S. domestic support notified to the WTO is considered to be non trade-distorting, while over 70 percent of EU support is notified as trade-distorting.

He also reiterated the high priority that the Administration places on agriculture. “President Bush and Ambassador Zoellick have stressed that agriculture is the top trade priority, and that’s why I am here, to make sure that the President’s and Ambassador Zoellick’s priorities are achieved. We will be in constant communication with the agricultural food community and Congress throughout the negotiating process to make sure we create significant positive benefits for U.S. agriculture,” Johnson said.

Because 96 percent of all consumers in the world live outside the United States, Ambassador Johnson said that a major focus for any trade deal must be to improve market access. He pointed to the Administration’s achievements in opening and maintaining these markets, by working with the USDA to prevent the arbitrary use of sanitary and phytosanitary measures against U.S. dried beans, stone fruit, and livestock exported to Mexico and U.S. fresh fruits and vegetables into Japan. The United States has also emphasized the importance of addressing sanitary and phytosanitary (SPS) measures during Free Trade Agreement (FTA) negotiations with Chile, and in discussions of a possible FTA with Australia. The Administration has also reached agreement with Poland for tariff reductions on citrus, wine and almonds.

In addition, Johnson noted the United States has defended its rights in the WTO, utilizing the dispute settlement process to successfully challenge Canada’s dairy export subsidies and Korea’s market access barriers on beef. Completing the negotiations to enable China’s entry into the WTO was a major achievement that will result in significant market access opportunities for U.S. agricultural products and, through China’s commitments to not use export subsidies, reduce unfair competition on world markets. The Administration has also engaged China at the highest levels with regard to technical barriers to U.S. agricultural exports, including biotech products.

Zoellick noted that without a launch of a new WTO Round, further multilateral agricultural trade liberalization will be difficult, if not impossible, to obtain.

“The WTO offers us the best opportunity to secure significant market openings in all parts of the world,

and ensure that our producers are not disadvantaged by other countries' protection and support. It is only in the WTO context that nearly all of our potential customers -- 144 countries when China and Taiwan join -- will be at the table, as will all of their trade-distorting practices," Zoellick stated.

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